

DWSRF Guidance Document Number 21
Municipal Construction Loans for less than \$75,000 or loan increases of less than \$75,000

Title 24 V. S. A. § 4755 (a) (4) provides "notwithstanding any other provisions of law, municipal legislative bodies may execute notes and incur debt on behalf of municipalities, with voter approval at a duly warned meeting, for amounts less than \$75,000.00, or increase previously approved bond authorizations by up to \$75,000.00 to cover unanticipated project costs; and...". The following procedures will be used to make new loans or increase previously authorized loans under this provision.

A. Voter Approval Documentation (submitted with loan application)

- (1) Copy of legal warning for meeting; Notice of the meeting shall be in accordance with Title 17 Chapter 55 § 2641.
- (2) Copy of applicable meeting minutes (if available)
- (3) Copy of recorded vote
- (4) Certification by municipal clerk that (1), (2), and (3) above are true copies

B. Documentation Review and Approval

- (1) For new construction loans, FED will complete review and approval of voter approval documentation.
- (2) For increases of previously authorized bond authorizations, a preliminary opinion from the Bond Counsel will be required.

C. Loan Documentation Preparation

- (1) For new construction loans under \$75,000, FED will prepare the loan documents following loan approval by the Vermont Municipal Bond Bank.
- (2) For increases of previously authorized bond authorizations where the loan amount will exceed \$75,000, the Bond Counsel will prepare loan amendments following approval by the Vermont Municipal Bond Bank.

D. Loan Rate and Term

Loan interest rates and terms (which may be up to 30 years) will be determined by the WSD with assistance from the FED in accordance with Guidance Document #10.

Honorable Jim Douglas, Governor Jonathan Wood, ANR Secretary Laura Pelosi, DEC Commissioner

This guidance and related environmental information are available electronically via the internet. For information visit us through the Vermont Homepage at <http://www.vermont.gov> or visit VT WSD directly at <http://www.vermontdrinkingwater.org>

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